Three Year Strategic Plan
2000-2003

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LETTER FROM THE GENERAL MANAGER

It is with great pleasure that I present the Liquor Distribution Branch's three-year strategic plan, our roadmap to help us successfully navigate the early years of the new millennium.

Four pillars—Customer Service, Business Effectiveness, Workplace Quality, and Social Responsibility—are the basis of our plan. These principles provide the foundation for all major LDB initiatives and support our financial objectives.

This three-year strategic plan follows recommendations outlined in a recent B.C. government study on accountability. For the first time, the LDB's plan captures targets for our goals and specific measures to ensure public accountability.

As we chart a course into the 21st century, we will remain adaptable and flexible to meet the demands of a rapidly evolving marketplace. No matter what the challenge, we are confident that our steadfast adherence to the four pillars will ensure our continued status as a leader in retail business. But, as always, the key to our success is the incredible commitment and dedication of all LDB staff.

> Jay Chambers
> General Manager
> BC Liquor Distribution Branch

Mission Statement

The mission of the BC Liquor Distribution Branch is to be a customer-focused, profitable and socially responsible retailer of beverage alcohol and to impartially regulate the distribution and sale of beverage alcohol in the province of British Columbia.

Values

Six core attributes form the foundation upon which the Liquor Distribution Branch supports its customers, suppliers and employees, and these values are reflected in all aspects of our operation:

Service—to our customers, suppliers and co-workers

Quality—in everything we do

Responsibility—to fulfill our social commitments to the citizens of British Columbia

Integrity—in all our business practices

Innovation—to achieve constant improvement

A Positive Work Life—that fosters teamwork, mutual respect and individual development

Vision

The British Columbia Liquor Distribution Branch will be recognized as a truly superior retailer in each of the communities it serves. We will achieve this through the provision of excellent products, services and relationships with customers and stakeholders at every level. We will constantly strive for the greatest possible value for our people, customers and stakeholders.

CORPORATE & ENVIRONMENTAL ASSESSMENT

In the development of any business plan it is important to consider the various factors, both internal and external, that may affect an organization's ability to accomplish its mission and goals.

To prepare for this plan, the LDB executive committee considered the following opportunities and challenges.

The External Situation
The Provincial Economy

Recent trends suggest that B.C.'s economy will face gradual improvement. In its economic analysis for the first five years of the millennium, the Credit Union Central of B.C. forecasts generally slow economic growth for 2000 and 2001, shifting to stronger performance in 2002.

Low income growth and higher interest rates in 2000 and 2001, combined with low population growth, are expected to keep the consumer and investment sectors "subdued." Retail sales usually struggle under rising interest rates and improve when interest rates decline.

The beverage alcohol industry has traditionally not fluctuated as much as the rest of the retail sector with changes in interest rates. Beyond 2001 or 2002, according to the Credit Union Central, consumer spending should improve considerably as interest rates decline and incomes grow faster due to stronger economic growth.

The Retail Picture in Canada

While the early nineties held numerous challenges for Canada's retail industry, the years 1997 through 1999 saw a significant rebound in consumer confidence and retail sales. The new millennium will present a number of trends and challenges to Canadian retailers. The Retail Council of Canada predicts that, for the next few years, retailers will be faced with fierce competitive pressures, demanding consumers and a struggle to reverse shrinking margins.

Two relatively new opportunities will challenge many retailers as they attempt to stay current with, or get ahead of, the state-of-the-

art technology: Internet retailing and customer loyalty programs. As a result, the Retail Council of Canada asserts that new competitors will continue to enter the robust retail marketplace and emerging technologies will further alter the realm of what is possible in retailing.

Beverage alcohol retailing has generally not been subject to the same level of fluctuation as the retail market as a whole. However, changing consumption patterns brought on by increasing social awareness of the effects of abuse, the aging baby boomers and the effects of globalization are providing new challenges to beverage alcohol retailers. Premiumization of alcohol will be the key to continued growth in this sector.

The Priorities of Government in B.C.

In the Throne Speech at the outset of the 2000 Legislative Session of the B.C. Legislative Assembly, seven major priorities of government were identified. Three of these priorities are relevant to the LDB and, accordingly, will be supported by the Branch. They are:

- New Budget Transparency Law
- New Culture of Openness, Co-operation and Balance
- Consolidating our strong competitive position

The one to which we can and will contribute most directly is the last one—consolidating the province's strong competitive position. By being an exemplary retailer, offering outstanding customer service and providing a climate of workplace quality, we will contribute to strengthening our province's economy.

The B.C. Population

B.C.'s total population rose by 0.6% to 4.023 million in 1999. However, in the same year, the population of people older than 19 years of age increased by 1.1% to 3.066 million. B.C. Statistics projects a similar half-percent difference to be maintained (between the total population increase and those greater than 19 years) for at least the next five years. For the three fiscal years beginning in 1999/00, the total population is expected to grow by 1.2%, 1.3% and 1.4% respectively.

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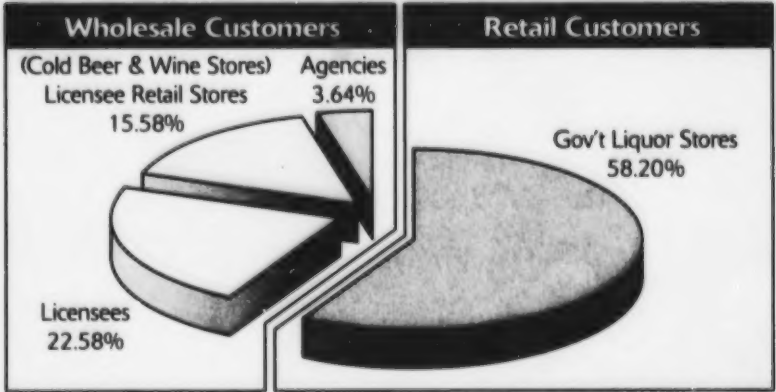

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LDB Customer Profile

The LDB serves both wholesale and retail customers. Our overall sales market is segmented into the customer types depicted in the following pie chart, with wholesale customers represented on the left side and retail on the right side:

Wholesale Customers	Retail Customers

(Cold Beer & Wine Stores)
Licensee Retail Stores
15.58%

Agencies
3.64%

Gov't Liquor Stores
58.20%

Licensees
22.58%

12 Months Ending February 2000

Within our three major product categories (beer, wine and spirits), we can segment our retail customers according to the underlying motive which brings them to our stores.

The charts (next page) were developed by first measuring sales distribution by price point, and then assessing the possible motive behind the decision to purchase in a given price segment. (See page 7 for an explanation of the labels used on the charts.)

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Beer

- Aficionados 8%
- Economizers 31%
- Statement Makers 46%
- Novices 15%

Wine

- Aficionados 14%
- Economizers 21%
- Novices 16%
- Statement Makers 49%

Spirits

- Aficionados 11%
- Economizers 46%
- Statement Makers 34%
- Novices 9%

Note: This model is hypothetical and is based on sales data and product pricing. It is **not** based on statistical research

Explanation of Labels

Economizers

This segment tends to view a category as a "commodity" in which all products offer the same basic level of enjoyment regardless of price. The economizer is not concerned by distinctions between higher- and lo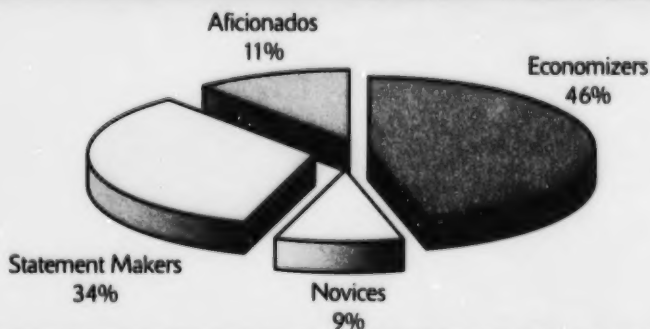wer-priced merchandise, and likes to feel somewhat immune to the "hype" that can be a part of aggressively marketed premium brands.

Statement-Makers

Statement-makers attach importance to being seen as current and knowledgeable in social circles, and may feel that brand choices reflect personal values. They tend to believe their preferences reflect higher quality, but they do not usually possess in-depth product knowledge.

Aficionados

Aficionados find value in making a personal commitment to the choices they make. They believe in nuance, in the notion that understanding the subtleties of various products greatly enhances their enjoyment. Aficionados tend to be inquisitive, experimental and self-confident. This often results in a willingness to pay more than typical consumers do.

Novices

Novices are consumers who are generally just being introduced to beverage alcohol or a specific category. They lack the experience needed to make decisions based on actual product characteristics, and they typically purchase style brands.

As a result, they often purchase moderately priced, highly advertised brands or ones that represent low risk.

Technology

Technology is rapidly changing the business landscape and, as the province's largest retailer, the LDB is actively participating in the revolution. The Branch uses Electronic Data Interchange with its business partners, and an Internet Web site (www.bcliquorstores.com) provides information to the public about the Branch, its products and services.

The beverage alcohol industry is converting from the Canadian Standard Product Code (CSPC) to the Universal Product Code (UPC) system of product identification. To meet the new standard, the Branch is converting its Retail Management System and Warehouse Management System to accept UPC identification. New cash registers, in-store systems and warehouse systems are required by January 1, 2002.

The use of Internet technology for business-to-business and business-to-consumer e-commerce is expected to grow and evolve in the next few years.

Consumers demand more information about product availability, location and quantities prior to their in-store shopping experience. The LDB's Web system will require enhancement to satisfy this need.

Business partners require more efficient methods of obtaining product from the Branch. As e-commerce solutions mature, we will be required to implement this technology.

Improved, cost-effective networking and Internet technologies will be required to reduce the impact of geographic diversity, allowing staff in more than 223 stores and other locations to share information, access common systems, and communicate with each other electronically. The same technologies will facilitate communication and information exchange with other government organizations and with business partners. Technologies such as barcode scanning, workflow management and wireless networking will improve business efficiencies.

U-brews & U-vins

U-brews and U-vins provide the facilities, equipment and
ingredients for patrons to make beer and wine. There are
approximately 300 of these establishments operating in B.C.
Although estimated to be substantial, the volume of beer and wine
produced in U-brews and U-vins is unknown.

As of April 2000, U-brews/U-vins were licensed by the Liquor
Control and Licensing Branch and will report on production
volumes. Licensing and regulation of U-brews/U-vins may reduce
illegal activity and result in increased LDB sales.

Environmental Impact

In October 1998, the Beverage Container Stewardship Program
Regulation expanded the deposit/refund system to include all
alcoholic and non-alcoholic beverages.

Under the regulation, the LDB assumed responsibility for the
environmental stewardship of all beverage alcohol containers sold in
the province with the exception of refillable beer bottles and cans.

In the 1999 calendar year, the LDB recycled approximately 70
million containers (75% of all containers sold). The main
environmental challenge for the LDB over the next three years will
be to fine-tune the beverage container return system to ensure that
it achieves the mandated 85% return rate target at the lowest
possible cost.

The Internal Challenges
Financial Performance

LDB sales for 1999/00 are estimated at $1.665 billion, with net
income projected at $617 million, which is $1 million more than the
previous year.

Over the last three years, sales have increased by an average of
2.6%, while operating expenses have increased by 4.4%. (Refer to
Table 1 to see the unfavourable effect on the operating expense ratio.)

When operating expenses increase at a higher rate than sales it
has a dampening effect on net income. While the net income has

increased each year, the percentage increase has not kept pace with sales. The Branch faces challenges in the years ahead to reduce operating expenses and to improve on previous years' performance.

Table 1

Year	($000) Sales	($000) Oper. Expense	($000) Net Income	Net Income As a % of Sales	Oper. Expense As a % of Sales
96/97	1,540	164	587	35.11	10.7%
97/98	1,594	166	606	38.07	10.4%
98/99	1,641	179	616	37.54	10.9%
E.A.* 99/00	1,665	187	617	37.10	11.2%
Bud. 00/01	1,696	196	620	36.56	11.6%

Estimated Actual

Human Resources

An Aging Workforce

Retirement has not been a driving force in staff turnover rates at the LDB. However, due to an aging workforce, the B.C. government and the LDB will soon face an unusually high turnover of staff. In 10 years, retirement rates will be almost three times the current level. As well, much of this increased retirement will be among senior level personnel who are in positions that require extensive experience.

Demographic forces in the B.C. economy are also a concern. With an aging population, more employees will be exiting, rather than entering, the workforce. This will have the greatest impact on highly skilled occupations (for example, Information Systems) as government competes with organizations offering better remuneration packages.

At the LDB, the "promotion domino effect" will have an impact on many other jobs, as we generally hire from within. A further complication will be introduced should our government face significant downsizing in the future, as have other governments. Placement issues, relocations and other ministry downsizing will have an impact on our ability to ensure we have the best possible people in the positions.

Compared to other ministries, the LDB has generally

experienced a low employee turnover rate (3.1% left government, 1.1% retired, with a total of 4.7% turnover), a high rate of long-staying "experienced" staff (2nd highest in government), and low promotion rates (due to our large percentage of clerk positions). LDB-specific statistics are being developed, but at this point we can point to being among the "10 Oldest Ministries" with respect to senior staff: that is, 42.4% of our Middle Management and above are over age 49.

In summary, the LDB, similar to government, will need to focus on three issues:

- Staffing action backlogs
- Necessity for Succession Planning
- External Recruitment Problems for skilled jobs

Health and Safety

With an aging workforce, the LDB faces particular challenges due to its labour–intensive retail and distribution operations. We are focusing resources on the areas that will assist employees to work safely and remain healthy, positive and productive. The emphasis must be placed on safety, ergonomic programs, wellness initiatives and attendance management.

With a strong retail presence in every community, a diverse customer base, and a very high-profile product for sale, the LDB continues to focus on taking a strong position in providing resources to reduce violence in the workplace.

Technology

The present array of information systems at the LDB is in need of integration.

Applications are spread over too many platforms, thus making changes, updates and adding new functionality difficult, time-consuming and error-prone tasks.

The retail store systems are not capable of handling the conversion from CSPC to UPC product identification, and are in

need of replacement. The 20-year-old cash registers will be replaced by January 1, 2002 to ensure reliability and serviceability.

Improved access to integrated information will improve the efficiency of the supply chain and administrative processes of the Branch. Acquisition and implementation of integrated, packaged solutions—where practical—will reduce the number of smaller applications and interfaces. Sharing common databases between functions will reduce the number of platforms and improve synchronization of data.

Web technology will be incorporated into some application systems to improve access to information, and provide consistent access to employees, suppliers and consumers worldwide.

THE FOUR PILLAR FRAMEWORK

For the past six years, the LDB has organized its strategic priorities and key objectives around the concept of four pillars (Customer Service, Business Effectiveness, Workplace Quality and Social Responsibility). The four pillars continue to serve as the foundation of all LDB initiatives.

This is the first version of the LDB Strategic Plan in which we are publishing our key financial objectives as well as the objectives that rest within each of the four pillars. The LDB's financial objectives will be achieved as the entire organization works towards the goals in the four pillars. Thus the model looks like this:
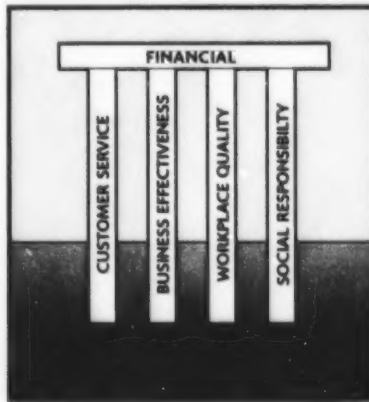
Our goals for each of these areas are as follows:

Financial

Attain and maintain a net income of 38% of annual gross sales (specific objectives for the three years addressed in this plan are less due to the amortization of extraordinary capital expenditures related to the replacement of cash registers).

Customer Service

Understand and meet the needs of our retail customers, business partners and internal customers by having the right product or service in the right place at the right time, delivered by friendly, courteous and knowledgeable staff.

Business Effectiveness
Manage internal business practices in a constant climate of continuous improvement, operating efficiencies and value added.

Workplace Quality
Employ a workforce of motivated and satisfied employees who pull together effectively in groups and teams and who are confident that their work environment is safe.

Social Responsibility
Achieve recognition in the industry and community in the promotion of responsible drinking and as an organization that is reducing its impact on the environment.

KEY OBJECTIVES, MEASURES & STRATEGIES

Financial Objectives
Total Sales and Net Income
Objective:

Achieve revenue and net income targets as indicated below for each of the three fiscal years addressed in this plan.

Measure	Target
Total Revenue	Fiscal 2000-01: 1.69 Billion
	Fiscal 2001-02: 1.72 Billion
	Fiscal 2002-03: 1.76 Billion
Net Income	Fiscal 2000-01: 620 Million (37%)
	Fiscal 2001-02: 614 Million (36%)
	Fiscal 2002-03: 623 Million (35%)

Operating Expenses
Objective:

Manage operating expenses to the levels indicated below for each of the three fiscal years addressed in this plan.

Measure	Target		
	Fiscal 2000-01	Fiscal 2001-02	Fiscal 2002-03
	$ million	$ million	$ million
Salaries	125.0	128.5	131.1
Rents	26.6	27.1	27.6
Professional Services	3.2	3.3	3.4
Amortization	4.0	15.6	16.6
Merchandising	2.1	2.2	2.2
Bank Charges	6.5	6.6	6.7
Data Processing	2.6	2.6	2.7
Other	26.4	26.9	27.4
Total	**196.4**	**212.8**	**217.7**

A.1

Customer Satisfaction

Objective:

Attain a customer satisfaction rating of 90% as measured by customer surveys administered in a cross section of stores.

Measure	Target
Customer Satisfaction	90%

Strategy:

- Identify stores to be surveyed.
- Select Contractor to design, conduct and tabulate survey.
- Evaluate results and communicate to stakeholders.

A.2

Retail Store Network

Objective:

Continue to develop a modern retail network of stores which will maximize customer service, and create interesting and exciting shopping experiences.

Measure	Target
Number of Renovated or	Fiscal 2000-01: 10
Newly Opened Stores	Fiscal 2001-02: 12
	Fiscal 2002-03: 14
Number of Seasonal Stores	6 Each Year

Strategy:

- Identify priority trading areas.
- Identify the longer-term opportunities and challenges in the priority trading areas and develop them.

- Identify short-term priority store locations within the longer-term plan.
- Develop strategy to meet the short and long term goals.
- Negotiate lease terms and conditions which support the strategy.

A.3

Progressive Retailing
Objective:

Develop and deliver a comprehensive, dynamic program of Progressive Retailing that provides employees with advanced selling skills in order to provide improved customer service.

Measure	Target
Number of Employees Trained	200 per year
Participant Feedback	80% Participant Satisfaction

Strategy:
- Evaluate Pilot program developed in Fiscal 1999-2000. Obtain industry participation and employee input.
- Refine/revise pilot and deliver to identified target audience.

A.4

Retail Management Training Programs
Objective:

Identify high-performing and motivated individuals with potential for more senior management positions, while maintaining the commitment to equity in the workforce. Provide them with a comprehensive training and development program to foster, promote and fine-tune the management skills needed to function effectively in today's modern retail environment through two training streams:
- Store Manager Training Program
- Assistant Manager Training Program

Measure	Target
Number of Employees Trained	**Assistant Manager Training Program**
	Fiscal 2000-01: 20 persons trained
	Fiscal 2000-01: 40 persons start
	program
	Fiscal 2001-02: 40 persons trained
	Fiscal 2002-03: 40 persons start
	program
	Store Manager Training Program
	Fiscal 2001-02: 20 persons in pilot
	Fiscal 2002-03: 40 participants in first
	program
Course Content Development	**Assistant Manager Training Program**
	Fiscal 2000-01: Developed
	Store Manager Training Program
	Fiscal 2000-01: Program plan complete
	Fiscal 2001-02: Pilot completed
Participant Feedback	80% Participant Satisfaction

Strategy:
- Stakeholder (industry, management and professional sectors) input will be sought in all phases of the course development.
- High potential employees with a focus on diversity will be sought as candidates.
- Comprehensive monitoring and feedback from participants in both programs will ensure the highest level of quality and integrity is maintained as well as the incorporation of new and relevant information and emerging retail trends.

B.1

Retail Management System
Objective:

To replace cash registers and related "back office" computer systems and their interfaces with head office systems with a modern retail management system by October of 2001. The RMS project will continue to provide enhancements through March 2002.

Measure	Target
Number of Installations	
Office Tools	Fiscal 2000-01: All stores complete
Check Stands	Fiscal 2000-01: 80 check stands
	Fiscal 2001-02: 685 check stands
Cash Registers	Fiscal 2000-01: Pilot stores complete
	Fiscal 2001-02: All stores complete
Future Enhancements	To be developed and completed by March 2002
Number of Employees Trained on Office Tools	460 Employees by end of July 2000
	All full-time Store employees by Oct 2000
Projected Budget as approved by Treasury Board	Fiscal 2000-01: On or Below Budget
	Fiscal 2001-02: On or Below Budget

Strategy:
- Train regional trainers to train store trainers on Office Tools.
- Segment the project into manageable releases. Involve and communicate with stakeholders during each release.

- Ensure alignment with government standards and initiatives by meeting monthly with ITSA.
- Report to Treasury Board on status and cost developments every six months.
- LDB Supply Chain Steering Committee will monitor the management of deliverables, the timetable and expenses.
- Ensure all safety, ergonomic and training needs are met.

B.2

Warehouse Operating System
Objective:
Complete the installation of the automatic data collection applications utilizing bar codes, mobile computer terminals and radio frequency communication by March 2001.

Measure	Target
Fully Implemented System	100% operational by February of 2001

Strategy:
- Conduct analysis of radio beacon systems requirements including ergonomic requirements.
- Conduct ongoing communication with union representatives and employees.
- Purchase necessary equipment.
- Conduct training on operations of system and equipment for warehouse employees.
- Complete the installation of equipment.
- Put equipment and software into production.

B.3

Supply Chain Management

Objective:

Optimize Supply Chain efficiency and effect continuous improvement by:

- Managing the listing and buying processes to improve overall Branch inventory turns while meeting customer needs.
- Managing distribution center inventories to ensure a 100% fill rate on core products.
- Maintaining zero out-of-stocks on core products in the store system.

Measure	Target
Rate of inventory turnover	In Year 1 attain a system-wide annual inventory turnover rate of 16
Fill Rate from distribution centers	100% on core product
Anecdotal observation by Area Managers, Industry Partners and Customers	Zero reports of stock outs on core products

Strategy:

- Establish target for system-wide turnover rate.
- Develop turnover reporting capability by product category down to the store level when RMS is fully implemented.
- Establish Area turnover rate targets for year 2, and store level turnover rate targets for year 3.
- Develop fill rate reporting system for Distribution and Merchandise Services.
- Communicate zero out-of-stock policy, including the implementation strategy, to store managers.
- Area Managers monitor and report anecdotally at operations meetings.

B.4

Staff Scheduling

Objective:

Schedule to best meet the needs of customers and the workflow by using the store productivity system to obtain optimum staffing levels.

Measure	Target
Store-wide Staff Scheduling Efficiency Rating	100%

Strategy:

- Area managers develop plan for identifying and communicating best practices.
- Area managers monitor store forecasting and scheduling and review previous month to identify variance to forecast. Exception stores to be monitored on a more frequent basis.

B.5

Technology Strategy

Objective:

Complete ongoing upgrades and improvements to the LDB's technology systems during fiscal 2000-2001; develop a comprehensive strategy for continuous improvement of the Branch's technology application system, infrastructure and project management before the end of fiscal 2000-2001 and commence implementation of strategy in fiscal 2000-2001 and 2001-2002.

Measure	Target
Completion of ongoing application upgrade projects:	100% completed by end of Fiscal 2000-01
• JANUS	
• GL/AP	
• CAPS	
• Financial Data Collection Revision	

Measure	Target
Completion of ongoing upgrades of infrastructure projects: • Data Warehouse access & reporting • Oracle data base management systems • Unix Operating systems • NT Servers • Desktops • Local Area Networks	100% (6 systems) by end of Fiscal 2000-01
Comprehensive Strategy Completed and Documented	Ready by Oct of 2000
Implementation of Intranet component of strategy	Fiscal 2001-02: Implementation commenced Detailed measures developed Fiscal 2002-03: Implementation completed

Strategy:
- Complete projects in progress during fiscal 2000-2001.
- Using organizational development (OD) methodology, develop the comprehensive strategy.
- Consult stakeholders extensively with respect to development of the strategy.
- Conduct communications planning and engage in extensive communications with union representatives and on issues related to changes in jobs as a result of technology changes.

C.1

Employee Health and Safety

Objective:

Continue to make LDB employee health and safety a priority. Raise
the profile of the importance of safety throughout the organization.

Measure	Target
WCB Claim Cost Statements	WCB Costs Fiscal 2000-01: Reduce by 10% Fiscal 2001-02: Reduce by 10% Fiscal 2002-03: Reduce by 10%
Leave Reports	Sick Leave (STIIP) Costs Fiscal 2000-01: Reduce by 10% Fiscal 2001-02: Reduce by 10% Fiscal 2002-03: Reduce by 10%
Monthly Safety Meeting Minutes and Work Site Inspections	100% of Work Sites Reporting each Fiscal Year

Strategy:

- Maintain a proactive safety awareness program.
- Establish and utilize a network of Regional Trainers.
- Establish and maintain a strong ergonomic program.
- Maintain a strong attendance management/claims management program.
- Support active union-management safety programs throughout the province.
- Develop and roll out a safety certification program for work sites.

C.2

Violence in the Workplace

Objective:

Improve safety of all LDB workplaces by reducing the potential for violence to employees through comprehensive training and awareness programs, and implementation of safety programs that involve all aspects of business operations.

Measure	Target
Number of Employees Trained	Fiscal 2000-01:
	900 employees trained
	Throughout store system
	Fiscal 2001-02:
	900 employees trained
	Throughout store system
	Fiscal 2002-03:
	900 employees trained
	Throughout the system
Store Risk Analysis Reports	Fiscal 2001-02:
	100% of stores completed
	Fiscal 2002-03:
	100% of stores completed

Strategy:

Based on the recommendations and input of Store Operations, Human Resources and Loss Prevention departments, and of store management and employee representatives on the Joint Safety Committee and the Violence in the Workplace Working Committee, implement recommendations that will improve safety through:

- Comprehensive training of store employees to better equip them to deal with incidents.
- Implementation of store layout strategies.
- Conduct a risk analysis audit in each location.
- Active ongoing safety programs in stores.

C.3

Multiculturalism and Employee Diversity

Objective:
Promote the principles of Multiculturalism and Diversity, as both a retailer and an employer, through higher profile communications and retail promotions.

Measure	Target
In House Communications	Articles in 50% of issues
In Store Promotions	4 stores per year.
Web Site and Select LDB Publications	4 promotions per year
Number of Employees Trained	Fiscal 2000-01: 40 employees trained Fiscal 2001-02: 40 employees trained Fiscal 2002-03: 80 employees trained

Strategy:
- Conduct market research in LDB trading areas.
- Publish promotional articles on multiculturalism and diversity in employee-targeted communications (*Grapevine, Newsline* etc).
- Conduct in-store multiculturalism promotions aimed at community ethnic celebrations.
- Develop and deliver culturally responsive service training programs.
- Conduct focused product appreciation courses to members of ethnic communities.
- Translate key store material into other languages.

D.1

Beverage Container Returns

Objective:

Maintain a safe, cost effective and consumer friendly beverage container deposit/refund system.

Measure	Target
Beverage Container Return Rate	85 %

Strategy:

- Closely monitor return rate and implement communications and/or other initiatives as necessary.
- Continue to ensure that, on an ongoing basis, health and safety concerns are addressed.
- Maintain, on an ongoing basis, a regular maintenance and repair program for the recycling equipment in the store system.
- Develop a comprehensive beverage container reporting system by March 31, 2001.

D.2

Responsible Use of Alcohol

Objective:

Continue to encourage the responsible use of alcohol through LDB alcohol awareness promotions.

Measure	Target
Public Awareness (through focus groups)	Fiscal 2000-01: 50 to 100 persons sampled from Lower Mainland Fiscal 2001-02: 50 to 75 persons sampled from up-province
Public Awareness (through customer service survey)	Majority of respondents report awareness
Safe-Ride-Home Awareness at major wine festivals	5 Major events per year

Strategy:

- Continue existing Social Responsibility programs including monthly alcohol awareness displays in stores, distribution of material on alcohol and pregnancy and the Safe Ride Home Program.
- Solicit feedback from staff on alcohol awareness initiatives in stores.
- Solicit public feedback through market research testing and customer service surveys.
- Solicit and monitor feedback from customers through the LDB Web site.
- Continue to work with suppliers and other agencies to develop joint alcohol awareness campaigns.
- Have an ongoing social responsibility presence in LDB publications and communicate alcohol awareness initiatives to staff and other stakeholders.

SUMMARY

As we have demonstrated in this latest edition of the LDB's Strategic Plan, our vision is to be regarded as a truly superior retailer in each of the communities we serve. We will achieve this through the provision of excellent products, services and relationships with customers and stakeholders at every level. Each of the key objectives, together with their measures and targets, has been designed to support this vision and to address the opportunities and challenges facing us. The following table is a summary of the key objectives, measures and targets.

IMPORTANT NOTE CONCERNING THE FOLLOWING PAGES

THE PAGES WHICH FOLLOW HAVE BEEN FILMED TWICE IN ORDER TO OBTAIN THE BEST REPRODUCTIVE QUALITY

USERS SHOULD CONSULT ALL THE PAGES REPRODUCED ON THE FICHE IN ORDER TO OBTAIN A COMPLETE READING OF THE TEXT.

REMARQUE IMPORTANTE CONCERNANT LES PAGES QUI SUIVENT

LES PAGES SUIVANTES ONT ÉTÉ REPRODUITES EN DOUBLE AFIN D'AMÉLIORER LA QUALITÉ DE REPRODUCTION

LES UTILISATEURS DOIVENT CONSULTER TOUTES LES PAGES REPRODUITES SUR LA FICHE AFIN D'OBTENIR LA LECTURE DU TEXTE INTÉGRAL

Pillar	Objective	Measure	Target for 2000-01	Target for 2001-02	Target for 2002-03
Financial Objectives	Sales and Net Income	Total Sales	1.69 Billion	1.72 Billion	1.76 Billion
		Net Income	620 Million	614 Million	623 Million
	Operating Expenses	Total Expenses	196.4 Million	212.8 Million	217.7 Million
Customer Service	Customer Satisfaction	Customer Satisfaction Rating	90%	90%	90%
	Modern Retail Store Network	Number of Renovated or Newly Opened Stores	10	12	14
		Number of Seasonal Stores	6	6	6
	Progressive Retailing	Number of Employees Trained	200	200	200
		Participant Feedback	80% Satisfaction	80% Satisfaction	80% Satisfaction
	Retail Management Training Programs	Number of Persons Trained	AMTP=20 SMTP=0	AMTP=40 SMTP=20	AMTP=40 SMTP=40
		Course Development	AMTP=12 Modules Developed	SMTP Pilot Completed	

SMTP= Plan Complete   SMTP= SMTP Pilot Completed

Pillar	Objective	Measure	Target for 2000-01	Target for 2001-02	Target for 2002-03
Customer Service	Retail Management Training Programs	Participant Feedback	80% Participation Satisfaction	80% Participant Satisfaction	80% Participant Satisfaction
Business Effectiveness	Retail Management System	Office Tools	All Stores Completed		
		Checkstands	80	685	
		Cash Registers	Pilot Stores Completed	All Stores Completed	
		Future Enhancements		Developed & Completed	
		Employees Trained	460		
		Budget	On or Below Budget	On or Below Budget	
	Warehouse Operating System	Fully Implemented System	100% Operational by Feb 2001		
	Supply Chain Management	Inventory Turnover Rate	Turnover rate of 16		
		Fill Rate From Distribution Centers	100% on core product		
		Anecdotal Observation	Zero reports of stock outs		

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Business Effectiveness	Staff Scheduling	Store-wide Efficiency Rating	100%	100%	100%
	Technology Strategy	Ongoing Application Upgrades	100% Completed		
		Ongoing Infrastructure Upgrades	100% Completed		
		Comprehensive Strategy	Ready by October 2000		
		Intranet		Implementation Commenced	Implementation Completed
Workplace Quality	Employee Health & Safety	WCB Claim Costs	Reduced by 10%	Reduced by 10%	Reduced by 10%
		Leave Reports	Reduced by 10%	Reduced by 10%	Reduced by 10%
		Monthly Safety Meeting Minutes	100% of Work Sites Reporting	100% of Work Sites Reporting	100% of Work Sites Reporting
	Violence in the Workplace	Number of Trained Employees	900	900	900
		Store Risk Analysis	100% of Stores Completed	100% of Stores Completed	100% of Stores Completed

Pillar	Objective	Measure	Target for 2000-01	Target for 2001-02	Target for 2002-03
	Multiculturalism and Employee Diversity	In House Communications	Articles in 50% of Issues	Articles in 50% of Issues	Articles in 50% of Issues
		In Store Promotions	4	4	4
		Web Site and Select LDB Publications	4	4	4
		Number of Employees Trained	40	40	80
Social Responsibility	Beverage Container Returns	Return Rate	85%	85%	85%
	Responsible Use of Alcohol	Public Awareness (through focus groups)	50 – 100 Persons	50 – 75 Persons	nil
		Public Awareness (through Customer Service Survey)	>50%	>50%	>50%
		Safe Ride Home Awareness	5 Major Events	5 Major Events	5 Major Events

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